# *Trade and Agriculture*
# What's at Stake for Mississippi?

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Mississippi is an important producer of agricultural products and exports worldwide. The State's farm cash receipts totaled $2.9 billion in 2000. Agricultural sales overseas were estimated at $612 million in 2000. These exports help boost farm prices and income, while supporting about 8,800 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports are important to Mississippi's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 21 percent in 2000.

Mississippi's top five agricultural exports in 2000 were:

- poultry and products -- $177 million
- cotton -- $175 million
- soybeans and products -- $112 million
- rice -- $81 million
- live animals and meat – $27 million

World demand for these products is increasing, but so is competition among suppliers. If Mississippi's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

**Mississippi Benefits From Trade Agreements**

Mississippi is already benefitting from a number of agricultural trade agreements. While there is much to be done, examples of market opportunities for Mississippi include:

- The nation's fourth largest cotton producer, Mississippi benefits under the North American Free Trade Agreement with rules of origin that increased demand for U.S. textiles in Canada and Mexico. Mexico's 10-percent tariff on cotton will be eliminated by 2003. This tariff reduction supports U.S. cotton exports to Mexico, which rose from 558,000 bales to 1.5 million bales from marketing year 1995 to 2000.

- Mississippi's broiler industry, one of the largest in the nation, accounts for 40 percent of all farm receipts in the state. Under the Uruguay Round agreement, Mississippi benefits because South Korea eliminated its import quotas on frozen chicken (whole and parts) in 1997, and is progressively reducing its tariffs to between 18 and 20 percent by 2004. These market-opening steps supported a rise in U.S. poultry exports to South Korea from 22,000 tons valued at $28 million in 1996 to 83,000 tons valued at $52 million in 2000. The Philippines opened a tariff-rate quota for poultry meat of 16,701 tons in 1998, which will reach 23,500 tons by 2004. This arrangement permitted U.S. poultry exports to rise from 2,700 tons valued at $3 million in 1997 to 17,000 tons valued at $14 million in 2000.

Under the North American Free Trade Agreement, Mexico converted its import licensing regime for chilled and frozen poultry to a transitional tariff-rate quota that will be phased out by 2003. From 1993 to 2000, U.S. poultry exports to Mexico rose from 164,000 tons valued at $188 million to 281,000 tons valued at $243 million.